

Media Advisory



[C.A.R. Mortgage Update](#)

This week's *C.A.R. Mortgage Update* contains information about mortgage modifications, foreclosure sales and evictions, and borrowers applying to refinance with multiple lenders.

Mortgage modification fails to slow state, inland foreclosures

The number of California households receiving notices of default -- the first step in the foreclosure process -- rose 122 percent between November 2008 and December 2008, following a three-month decline, according to RealtyTrac.

Some real estate analysts believe a California law that required mortgage lenders to provide customers with 30 days notice, before filing a default, only postponed the foreclosure, but did not resolve the challenges associated with loan defaults.

To read the full story, please click here:

http://www.pe.com/localnews/inland/stories/PE_News_Local_S_realtytrac15.3f28d92.html

Freddie foreclosures, eviction plans continue during moratorium

Fannie Mae and Freddie Mac have agreed to suspend foreclosure sales and evictions through the end of January 2009; however, Freddie Mac, unlike Fannie Mae, is continuing the foreclosure process and filing the necessary paperwork. According to Freddie Mac, even though the process is continuing, the actual sales and evictions have stopped.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/10/AR2009011000173.html>

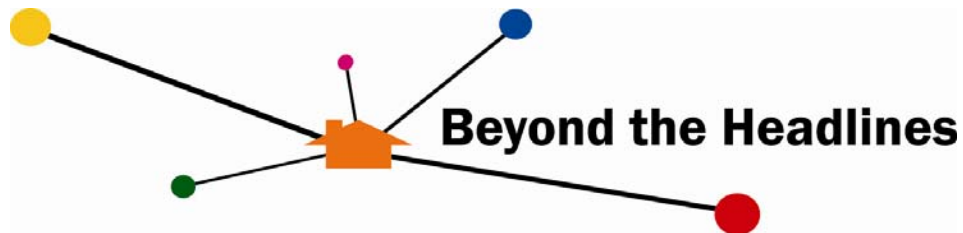
Multiple applications for mortgages

Anecdotal evidence suggests only 50 percent of borrowers applying to refinance are being approved, down from 60 to 70 percent during previous refinance cycles. Homeowners with FICO scores below 700 or with little equity in their homes likely will not qualify to refinance. To increase the likelihood of receiving approval, some borrowers are applying with multiple lenders.

Lenders can lose money on a loan locked in with investors if the borrower decides to go with a different lender. To discourage borrowers from applying with multiple lenders, some lenders are charging up-front deposits.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/15/AR2009011504100.html?hpid=sec-business>



[Orlando Sentinel](#)

Here's where to start when buying a home

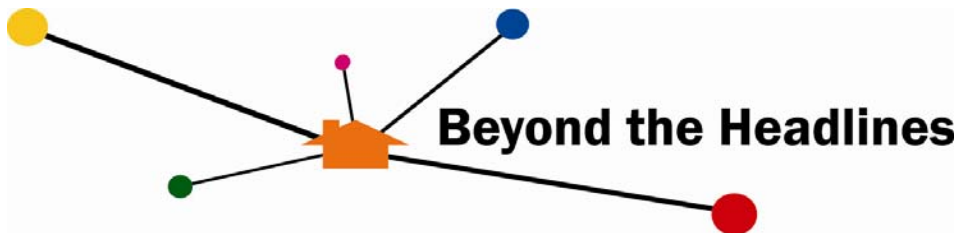
Some home buyers, especially first-time home buyers, may be intimidated by the home-buying process and unsure of where to start. Determining how much house they can afford, getting pre-approved for a mortgage loan, and conducting a home search online can overwhelm even more experienced home buyers.

KEEP THIS IN MIND

- To help educate home buyers about the home-buying process, the CALIFORNIA ASSOCIATION OF REALTORS® in partnership with the *Los Angeles Times*, is hosting the second annual Southern California Home Buyer's Fair. The free, two-day event is designed to help consumers navigate today's real estate market with confidence and peace of mind. The second annual Southern California Home Buyers Fair is scheduled for Saturday, April 18 and Sunday, April 19 at the Los Angeles Convention Center in downtown Los Angeles. The event is free to the public, and will feature more than 60 educational how-to seminars presented in both English and Spanish. For more information, please visit www.homebuyersfair.com.
- Both first-time home buyers and experienced home buyers will benefit from working with a REALTOR®. While a REALTOR® can help guide a buyer through the home-buying process, consumers can do some of the prep work on their own, such as talking with relatives and friends who have bought a home recently and learning about home buyers' programs through government agencies.

To read the full story, please click here:

<http://www.orlandosentinel.com/features/consumer/orl-housing1709jan17.0.4142843.story>



[Washington Post](#)

Clean up your credit

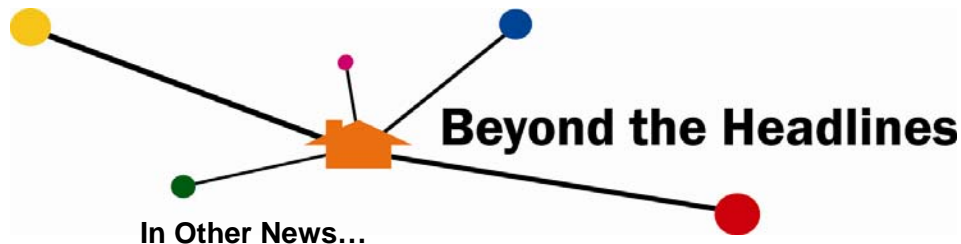
With financial institutions, auto dealers, and credit card companies more cautious about lending than in previous years, consumers are advised to closely monitor their credit history and FICO score to ensure they receive the best interest rates possible.

KEEP THIS IN MIND

- Consumers considering the purchase of a home should first get their credit and finances in order. Reducing spending, limiting credit card balances to no more than 25 percent of the available balance, and monitoring credit reports are highly recommended by most financial experts. Even borrowers with less than ideal credit scores and credit histories still may qualify for a home loan. Some lenders will be more forgiving if the borrower has started meeting monthly debt obligations in the last six to 12 months. Consumers can view their credit reports from Experian, Equifax, and TransUnion by visiting www.annualcreditreport.com. The free credit reports will provide a borrower's credit history, but not the credit score. The credit score can be purchased for approximately \$10 from the credit reporting bureaus.
- Borrowers who already have received their free annual credit report can purchase a copy from www.myfico.com. The cost is approximately \$16 for the score from one credit bureau, or \$50 for all three.
- Good credit doesn't mean simply paying bills on time; it also can mean job stability. Most lenders require borrowers to have worked for the same employer for at least one year, possibly longer before they will approve the home loan application. For self-employed individuals, most lenders will want at least two years of tax returns before approving a conventional loan.
- Many large financial institutions have been forced to write off high levels of credit card debt. As a result, borrowers are being required to have higher FICO scores than previously required. A year ago, a FICO score of 720 was considered excellent. By today's standards, a credit score of 740 or higher likely will mean the borrower is approved, but not necessarily at the best interest rate possible, according to an executive with LowCards.com.
- Inaccuracies on a credit report can be disputed with each credit reporting agency. Typically, the process takes 30 to 45 days for the bureau to investigate the dispute. Although this process can be time-consuming, it is well worth the time and effort. Incorrect notations, such as an account that has gone to collection or a home in foreclosure, could cost the borrower 100 points or more on their credit score.
- Credit advisors recommend that borrowers pay their accounts in full each month, if possible. If that is not feasible, then borrowers should pay at least the minimum amount owed, and ensure the payments are made on time. Late payments will likely lower a credit score and could automatically result in a higher interest rate.

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/15/AR2009011501231.html>



[CNN Money](#)

Consumer confidence in surprise rebound

To read the full story, please click here:

http://money.cnn.com/2009/01/16/news/economy/consumer_sentiment/index.htm?postversion=2009011610



[The New York Times](#)

Credit markets showing some signs of revival

To read the full story, please click here:

<http://www.nytimes.com/2009/01/16/business/16norris.html?ref=business>



[CNN Money](#)

Citi splitting into two after \$8.3 billion loss

To read the full story, please click here:

<http://money.cnn.com/2009/01/16/news/companies/citigroup/index.htm?postversion=2009011610>



[Washington Post](#)

Senate votes to release bailout funds to Obama

To read the full story, please click here:

<http://www.washingtonpost.com/wp-dyn/content/article/2009/01/15/AR2009011504253.html>



[San Francisco Chronicle](#)

FTC's warning to foreclosure fix-it firms

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=c/a/2009/01/18/REIA157SL0.DTL>

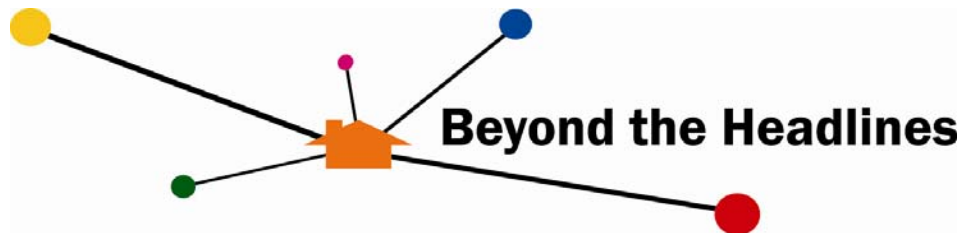


[Los Angeles Times](#)

New-home sales in Southland fall 53% in December

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-housing20-2009jan20.0.946173.story>



What you should know about the market

- "Curb appeal," -- the first impression a home makes when a visitor arrives – is critical when it comes to selling a home. One area that often is neglected is the driveway, which often is one of the first features a potential home buyer sees when they arrive. If the concrete driveway is oil-stained or has cracks, check with a local home center for cleaners and crack-repair compound. For asphalt driveways, a seal-coat often can make a big difference in appearance and help prolong the asphalt as well.
- In today's economy, many homeowners are looking for ways to reduce spending. One way to do so is by reviewing the homeowner's insurance policy and looking for cuts. Raising the deductible from \$500 to \$1,000, reducing coverage on the "household contents" portion of the policy, and installing home security devices could save as much as 25 percent every month on premiums, according to the Insurance Information Institute.